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COMPARATIVE DATA REPORT SERIES I

STATE REVENUES

Eastern Region

The Council of State Governments · P.O. Box 11910, Iron Works Pike · Lexington, Kentucky 40578

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STATE REVENUES

EASTERN REGION

Finance and Taxation Program
The Council of State Governments

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FOREWORD

The Council of State Governments is pleased to issue a report on state revenues as part of its Comparative Data Report series. This series is designed to deliver information to legislators and other government officials in a timely and succinct manner in order to enhance the decision making process at the state level.

The data contained in this report includes the most recent information available on tax revenues and rates, state and local tax collections, state revenues and expenditures, and the five-year trend in state and local revenues for the period 1977 through 1981. It is presented in both a narrative and tabular format with special regional maps which graphically illustrate the information.

This document was prepared by the staff of the Council's Finance and Taxation Program with the cooperation and assistance of state and federal agencies. The role of the U.S. Bureau of the Census, along with state revenue officials, was particularly noteworthy, and very much appreciated.

Frank H. Bailey
Executive Director
Council of State Governments

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IN THE EASTERN REGION

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COMPARATIVE DATA REPORT ON REVENUES IN THE EASTERN REGION

Introduction

This report examines state and local revenues in the eastern region states listed below from 1977 through 1982, in order to provide information for decision-making. With over 42 states taking action in the past two years to increase taxes or reduce spending by cutting the budget or reducing the size of the state work force, forecasting the level of revenue is critical. The information in this report is based primarily on various publications of the Department of Commerce. Per capita figures and revenues per $1,000 of personal income are detailed in selected categories. Populations and personal incomes vary substantially in the eastern states --New York leads with 17.6 million people and $201.8 billion in personal income. Vermont has the lowest population of 511,000 and the lowest personal income of $4.5 billion. In 1981, the highest per capita income of $12,816 was in Connecticut, which ranked fifth in both population and total personal income in the eastern region.

States	Population 4/80 (thousands)	Personal Income in CY 1981	
		Amount (millions of dollars)	Per Capita (dollars)
New York	17,558	201,923	11,466
Pennsylvania	11,864	123,096	10,370
New Jersey	7,365	89,788	12,127
Massachusetts	5,737	64,248	11,128
Connecticut	3,108	40,164	12,816
Maine	1,125	9,669	8,535
Rhode Island	947	9,676	10,153
New Hampshire	921	9,350	9,994
Delaware	594	6,640	11,095
Vermont	511	4,497	8,723

Tax Revenues and Rates in 1982

Some states have increased sales taxes, cigarette taxes, or motor fuel taxes in recent years. Since 1980, one of the eastern states has increased the general sales tax, two have increased cigarette taxes, and five have increased the motor fuel tax.

The tax percentage rate on sales and gross receipts has remained relatively stable in the east, ranging from a high of 7.5 percent in Connecticut to a low of 4 percent in New York and Vermont. As of September 1, 1982, neither Delaware nor New Hampshire imposed a general sales and gross receipts tax. Vermont's rate changed to 4 percent effective in July 1982. Rates in all of the other states have not changed since 1980.

Cigarette taxes have been raised in two states since 1975. In 1982, New Jersey raised the rate to 24 cents per package, the highest rate in the east. Rhode Island has the second highest rate of 23 cents per package, which became effective in 1982. The next highest rate of 21 cents per package occurs in Connecticut and Massachusetts. Both New Hampshire and Vermont have the lowest rate of 12 cents per package.

Motor fuel taxes were changed in 1981 and 1982 by five states --Delaware, Massachusetts, New Hampshire, Rhode Island, and Vermont. The new rates vary from 10 cents per gallon in Rhode Island to 14 cents per gallon in New Hampshire.

Percent changes from 1981 to 1982 in state government tax revenues range from a low 7.7 percent increase in Pennsylvania to a high increase of 21.1 percent in New Hampshire. Even with

TABLE 1. STATE GOVERNMENT EXCISES ON GENERAL SALES, MOTOR FUEL, AND CIGARETTES AS OF SEPTEMBER 1, 1982

States	General Sales and Gross Receipts		Cigarette Taxes		Motor Fuel Taxes	
	Percentage Rate	Date of Change	Cents Per Package	Date of Change	Cents Per Gallon	Date of Change
Connecticut	7.5	7-01-80	21	9-01-71	11	6-01-76
Delaware	NA	NA	14	8-01-71	11	8-01-81
Maine	5	6-01-69	16	7-01-74	9	7-01-71
Massachusetts	5	11-12-75	21	7-01-75	10.4	7-01-82
New Hampshire	NA	NA	12	7-01-75	14	7-01-81
New Jersey	5	3-01-70	24	6-18-82	8	7-01-72
New York*	4	6-01-71	15	2-01-72	8	2-01-72
Pennsylvania	6	1-01-68	18	1-15-70	11	7-04-79
Rhode Island	6	6-01-76	23	3-15-82	10	7-01-82
Vermont	4	7-01-82	12	6-01-69	11	6-01-81

NA - Not applicable.
* - State authorizes state collection of combined state and local sales taxes in those jurisdictions which impose supplemental local sales taxes under state enabling legislation.

this increase, New Hampshire had the lowest per capita state government tax revenue of $353.44. The second lowest per capita state government tax revenue of $649.76 occurred in Maine. New Hampshire doubled revenues from alcoholic beverage licenses from $1 million to $2.3 million with a rate increase effective in July 1981. Motor fuel tax revenues increased from $47 million to $59.9 million when the tax rate increased from 11 to 14 cents per gallon effective July 1, 1981. Corporation net income tax revenues also increased from $57.3 million to $79.8 million with the imposition of a surtax applicable July 1, 1981.

States	State Government Tax Revenue					
	1982	1981	1980	Percent Change		Per Capita
	(Millions of Dollars)			1981/82	1980/81	1982 Dollars
Connecticut	2,340	2,072	1,840	12.9	12.6	752.74
Delaware	595	551	516	8.0	6.8	1,001.38
Maine	731	674	619	8.4	8.9	649.76
Massachusetts	4,804	4,336	3,927	10.8	10.4	837.31
New Hampshire	326	269	267	21.1	.5	353.44
New Jersey	5,577	5,029	4,265	10.9	17.9	757.26
New York	15,438	13,928	12,626	10.9	10.2	879.26
Pennsylvania	8,186	7,597	7,241	7.7	4.9	689.95
Rhode Island	675	608	551	11.0	10.4	712.56
Vermont	332	294	266	12.9	10.5	650.31

Both Connecticut and Vermont experienced increases of 12.9 percent from 1981 to 1982. Connecticut revenues from public utility taxes increased from $170.5 million to $214.9 million through a change in the collection cycle. Corporation net income tax was also affected through a change in the collection cycle and an increase of $18.6 million for a new unincorporated business tax imposed effective July 1, 1981. Improved collection and cash management practices have increased funds available for expendi-